

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION

**Compiled Financial Statements as of June 30, 2013
and for the Year Then Ended
and Independent Accountants' Compilation Report**

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION

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Certified Public Accountants & Consultants

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Algiers Economic Development Foundation
New Orleans, Louisiana

We have compiled the accompanying statement of financial position of Algiers Economic Development Foundation (AEDF), a nonprofit organization, as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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September 26, 2013

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ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 93,149
Accounts receivable	57,847
Inventory	9,728
Prepaid expenses	<u>7,630</u>
Total current assets	168,354

FIXED ASSETS

Computer equipment	5,494
Office furniture	<u>2,648</u>
Total fixed assets	8,142
Accumulated depreciation	<u>(6,758)</u>
Total fixed assets, net of accumulated depreciation	1,384

OTHER ASSETS	<u>1,013</u>
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TOTAL ASSETS	<u><u>\$ 170,751</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 17,570
Deferred revenue	<u>43,433</u>
Total liabilities	61,003

NET ASSETS

Unrestricted	98,239
Temporarily restricted	<u>11,509</u>
Total net assets	<u>109,748</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 170,751</u></u>
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See accompanying independent accountants' compilation report and notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Business luncheon sponsors	\$ 29,265	\$ -	\$ 29,265
Grants	100,000	12,509	112,509
Interest income	271	-	271
Business luncheon ticket sales	2,975	-	2,975
Membership dues	11,302	-	11,302
Miscellaneous income	55	-	55
Special events income	86,412	-	86,412
Net assets released from restrictions	5,000	(5,000)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	235,280	7,509	242,789
EXPENSES			
Program services			
Economic growth encouragement	179,218	-	179,218
Supporting services			
Management and general	104,377	-	104,377
	<hr/>	<hr/>	<hr/>
Total expenses	283,595	-	283,595
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	(48,315)	7,509	(40,806)
NET ASSETS - Beginning of year	146,554	4,000	150,554
	<hr/>	<hr/>	<hr/>
NET ASSETS - End of year	<u>\$ 98,239</u>	<u>\$ 11,509</u>	<u>\$ 109,748</u>

See accompanying independent accountants' compilation report and notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Program Services	Supporting Services	
	<u>Economic Growth Encouragement</u>	<u>Management and General</u>	<u>Total</u>
Expenses			
Advertising	\$ 1,442	\$ -	\$ 1,442
Business luncheon expenses	14,404	-	14,404
Contract services	5,119	23,609	28,728
Donations	2,273	-	2,273
Depreciation	-	1,730	1,730
Dues and subscriptions	-	1,133	1,133
Facilities and equipment	1,465	5,022	6,487
Insurance	-	14,645	14,645
Travel and meetings	4,010	3,032	7,042
Miscellaneous	-	498	498
Office expenses	-	9,818	9,818
Personnel expenses	71,251	5,896	77,147
Professional fees	8,049	23,361	31,410
Program expenses	66,850	-	66,850
Rent	-	15,633	15,633
Security	4,355	-	4,355
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 179,218</u>	<u>\$ 104,377</u>	<u>\$ 283,595</u>

See accompanying independent accountants' compilation report and notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (40,806)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,730
Changes in operating assets:	
Accounts receivable	(21,058)
Inventory	(3,837)
Prepaid expenses	1,250
Changes in operating liabilities:	
Accounts payable and accrued liabilities	3,323
Deferred revenue	<u>3,843</u>
Net cash used in operating activities	<u>(55,555)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(55,555)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>148,704</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 93,149</u>

See accompanying independent accountants' compilation report and notes to financial statements.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – The Algiers Economic Development Foundation (AEDF), a nonprofit organization, was organized to foster economic growth of the Algiers community. Through leadership, innovation and collaboration, the AEDF engages the Algiers business community, civic and community partners, elected officials, and regional partners in proactive business initiatives that foster Algiers' growing business environment and establish a sustainable community to create opportunities for Algiers' residents and neighborhoods to thrive and grow.

Basis of Accounting – AEDF prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation – Net assets of AEDF and changes therein are classified and reported as follows:

- a) Unrestricted net assets are not subject to donor-imposed stipulations.
- b) Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of AEDF and/or the passage of time. There was \$11,509 in temporarily restricted net assets as of June 30, 2013.
- c) Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by AEDF. There are no permanently restricted net assets as of June 30, 2013.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of the AEDF's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and disclosure of contingent assets and liabilities. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the financial statements.

Cash and Cash Equivalents – Cash and cash equivalents represent demand deposits and other investments with purchased maturities of three months or less.

Accounts Receivable – AEDF signed a cooperative endeavor agreement with the City of New Orleans to reimburse AEDF for expenses related to events held to promote economic growth in the Algiers community. Accounts receivable as of June 30, 2013 consisted of amounts due from the City of New Orleans for this cooperative endeavor agreement. Management believes all amounts are collectible; therefore, no allowance for doubtful accounts is recorded.

ALGIERS ECONOMIC DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Inventory – Inventory is stated at the lower of cost or market determined by the first-in, first-out method.

Fixed Assets – Fixed assets are stated at cost, with the exception of donated items, which are stated at fair market value at the date of donation. It is AEDF's policy to capitalize expenditures for items in excess of \$1,000 with a useful life of at least 3 years. Lesser amounts and expenses that do not extend the assets useful life are expensed as incurred. AEDF uses the straight-line depreciation method over the useful lives of its property. Computer equipment is depreciated over 3 to 5 years. Furniture and fixtures are depreciated over 7 years. Depreciation expense for the year ended June 30, 2013 was \$1,730.

Other Assets – Other assets consist of the rent damage deposit for the AEDF office space.

Revenue and Deferred Revenue – Sponsorships and ticket sales for special events are recognized as revenue when the event is held. Grant revenue is recognized when awarded. Deferred revenue consists of sponsorships and other monies received in advance for use in future periods.

Income Tax Status – Under the provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, AEDF is exempt from taxes on income other than unrelated business income. For the year ended June 30, 2013, AEDF had no unrelated business income. Management believes there are no uncertainties included in the accompanying financial statements.

NOTE B – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 26, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.